Testimony presented by David Emmel, M.D.

To the Public Health Committee

On

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SB 813 AN ACT CONCERNING HEALTH CARE PRICE, COST AND QUALITY TRANSPARENCY

Good Afternoon Senator Gerratana, Representative Ritter and other distinguished members of the Public Health Committee. My name is David Emmel and I am a board certified ophthalmologist practicing in Wethersfield. I am the Legislative Chair of the Connecticut State Medical Society (CSMS) and one of the co-legislative chairs of the state eye society. I am here today representing the nearly 6,000 physicians and physicians in training of CSMS and the over 1000 physicians in the medical specialties of Dermatology, Ophthalmology, Otolaryngology and Urology.

On behalf of this large group of dedicated physicians, I would like to express my deep appreciation for the efforts of this committee in calling attention to the importance of transparency in health care and for trying to address this problem to benefit patient access to medical care services.

Transparency is not new to our organizations; we have been fighting for transparency in health care for many years. We applaud the effort to engage the patient in decision making by bringing clarity to the health insurance process, a system that has confounded many a doctor, not to mention our patients. We urge the General Assembly to focus its efforts in bringing transparency to health care by concentrating on the large players, the insurance industry and the hospitals, where it can be realistically accomplished, usefully and without undo economic impact. However, compelling physicians and other health care professionals to do the same will inflict significant economic hardship on the remaining solo and small practices that still exist in this state without necessarily bringing any real clarity to a patient's decision-making process.

One of the most significant and repeatedly stated goals of the ACA is to bring affordable insurance coverage to each and every resident of the state. As of 2014, with 96% of our residents covered by insurance, we have all but reached that goal. With 96% insurance coverage, physician fees are no longer set by physicians - they are set by the insurance industry through the contractual process, typically very lopsided in favor of the large and

powerful industry. A physician's fee schedule rarely has anything to do with what a physician gets paid or what a patient gets charged. Compelling physicians or any other providers to disclose their fee schedules certainly has the appearance of transparency, but it will not accomplish the true purpose of transparency. It will not accomplish the purpose stated in this bill, which is to help patients participate meaningfully in decision making processes that will help shape the health care landscape in a positive way.

The provider disclosure requirements in Bill 813 will inflict a heavy administrative burden on solo and small practices, perhaps enough to force the remaining practices to give up and sell out to the big entities. It is hard to disparage transparency, and we certainly do not want to discourage it, but this is one place where the need is really critical for the large players, the ones who can easily afford it, and not so critical when it comes to the small practices. As a solo practitioner, if I am deceptive and not transparent, if I refuse to disclose fees and likely costs to a patient, my patients will get angry and go elsewhere, and I will be in trouble. Bills like 813, if they are allowed to include provisions that hurt small practices, will accelerate the consolidation process. If all Connecticut has are a few really big practices it will not matter that we have transparency codified someplace in statute; the large practices will be immune to outside economic pressure because patients will not be able to go anywhere else! Small independent practices can play a role in balancing the power wielded by these large and increasingly corporate-like entities.

I am deeply concerned that this bill will not facilitate true transparency when it comes to physicians and other health care professionals. The provision for price and cost information included on a web site is ambiguous, but suggests that a health care consumer might make value judgments based on an examination of a provider's fee schedule. However, the real cost to that patient/consumer has virtually nothing to do with the provider's fee schedule, it is dictated by the insurer's fee schedule and the plan benefit design, including copayments, coinsurance and especially deductibles. Listing the fee schedules of providers on a web site will not facilitate the consumer's decision making process, but it might very well prejudice them against very high quality physicians practicing in their neighborhoods.

Physicians and other health care professionals are often singled out as the cause of the high cost of health care in this country, although the reality is that health care professionals, including physicians, represent only a small portion of the health care bill and it is becoming less and less of the overall medical cost total. Pharmaceuticals, diagnostics, hospital care and other services make up the bulk of the medical costs today. The recent surge in health care cost has mostly been attributed not to non-urgent physician fees, but to cases where non-participating providers were called into emergency care situations. This was a result of the insurer failing to provide an adequate network of providers. In these situations using transparency to put pressure on physicians to ratchet down their fee schedules will not help this problem and will only further place insurers in control of the direction and provision of medical care in Connecticut.

For those self- paying patients, who are without insurance, we suggest language similar to New York's surprise bill passed in 2014 which allows patients to request the customary fees for procedures from healthcare providers for comparison shopping. We would be happy to share provisions of that bill with the Committee. We also believe that in order to provide for true price or cost transparency, what is needed is for the insurers to make real time information available on the copayments, coinsurance and deductibles tied to a patient's plan design and plan benefits so that the treating physician and the patient knows exactly what is covered and what the patient's cost share will be. It is entirely possible, given plan benefit design, that a patient may go to what is assumed to be a lower cost physician, but in the end the patient may be responsible for more of the cost of care. We remain committed to working with this Committee to create meaningful policy for our patients so that true price and cost transparency are a reality for both the physician and the patient. No longer is it what is charged, but what the insurer determines the cost of the service to be and the patient's portion of the cost. Let's make sure that we

focus transparency where it will have the greatest impact, on how much the consumer, our patients, have to pay given their plan benefit design and cost sharing obligations..